

ORIGINAL

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FILE

In the Matter of

Policies and Rules
Concerning Interstate
Pay-Per-Call Services

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RM-7990

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JUL - 8 1992

Federal Communications Commission
Office of the Secretary

COMMENTS

MCI Telecommunications Corporation (MCI) hereby comments on the Petition for Clarification and Modification (Petition) filed by the States^{1/} in the above-captioned proceeding. The States request that the Commission issue an order 1) confirming that pay-per-call services that use 800 service must comply with the Commission's pay-per-call rules, and 2) prohibiting interstate carriers from providing 800 service "where consumers are billed by the use of either tone generation technology, automatic number identification or billing detail information." Petition at 1.

The Commission's existing pay-per-call rules clearly apply to 800 services that meet the definition of pay-per-call. Pay-per-call services are defined as

"telecommunications services which permit simultaneous calling by a large number of

^{1/} "The States" include the states of Connecticut, Tennessee, Pennsylvania, New Jersey, Alabama, Arizona, Arkansas, Florida, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nevada, New Hampshire, New Mexico, North Carolina, North Dakota, Oregon, Rhode Island, South Dakota, Texas, Vermont, Virginia, Washington, Wisconsin, Wyoming, and the 900 Number Subcommittee of the Consumer Protection Committee, National Association of Attorneys General.

callers to a single telephone number and for which the calling party is assessed, by virtue of completing the call, a charge that is not dependent on the existence of a presubscription relationship and for which the caller pays a per-call or per-time interval charge that is greater than, or in addition to, the charge for transmission of the call." 47 CFR § 64.709.

800 services are not exempt from this definition. In fact, the Commission specifically decided that the rules apply to all interstate pay-per-call programs offered on all exchanges.^{2/} Moreover, as required by the Commission's rules, common carriers may provide interstate transmission for pay-per-call services only under the terms and conditions prescribed by the Commission. Accordingly, any MCI 800 Service customer who uses that service to provide pay-per-call service must comply with the Commission's rules as reflected in MCI contracts or tariffs,^{3/} or face termination of service.^{4/}

The States also ask the Commission to prohibit "the use of an 800 number to provide pay-per-call service when the caller is billed merely by staying on the line or inputting data through tone generation" because it "is inherently misleading." Petition at 5. In support, the States indicate that they "have observed the proliferation of pay-per-call services which solicit calls by the use of 'free' 800 inward WATS lines." Petition at 2. The

^{2/} See, In the Matter of Policies and Rules Concerning Interstate 900 Telecommunications Services, CC Docket No. 91-65, FCC 91-299, paras. 81-82, released October 23, 1991.

^{3/} See, MCI Tariff FCC No. 1, Section B-6.11, p.12.3.2.

^{4/} Id., at Section B-6. 11.014, p.13.1.1.

States allege that "certain of these 800 pay-per-call services are not complying with the requirements of the FCC Pay-Per-Call Order and, in some instances, are using deceptive and misleading tactics to induce callers to complete the call. . . ." Petition at 3.

However, the States do not call for the prohibition of 800 pay-per-call programs which require the customer to provide a credit card number and expiration date for the purpose of being charged for the call. According to the States, they have received "relatively few complaints about such pay-per-call services." Petition at 7. Moreover, "[i]t is reasonable to assume that a consumer who provides a credit card number after hearing a preamble ... usually is contemplating that he or she will be billed for the ensuing call...." Id.

MCI would not object to amendment of the Commission's pay-per-call rules to prohibit the use of 800 service in connection with pay-per-call programs, provided that such rule excepted situations in which calling parties provide a credit or charge card number or have established a presubscription relationship (as defined in the Commission's Pay-Per-Call Order) with the pay-per-call service provider. MCI recently filed an amendment of its tariff to this effect^{5/} in order to help ensure that consumers are not confused concerning charges for pay-per-call programs offered over MCI 800 service.

^{5/} See, Revisions to MCI Tariff FCC No. 1, p. 12.3.3, Section B.6.116, filed July 1, 1992 (attached hereto).

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Based on the foregoing, MCI respectfully requests that the Commission adopt the proposal as stated herein.

Respectfully submitted,

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Dated: July 8, 1992

CUSTOMIZED BUSINESS COMMUNICATIONS SERVICESECTION B - RULES AND REGULATIONS6. USE OF SERVICE (Cont.).115 Line Seizure by Automatic Dialing Devices

No provider of pay-per-call services subscribing to MCI's services under this tariff shall use automatic dialing devices which deliver a recorded message to the called party unless the device releases that called party's telephone line promptly but in no event longer than current industry standards.

.116 Restrictions

No provider of pay-per-call services (as defined in the Federal Communications Commission's Rules) subscribing to MCI 800 Service shall use MCI 800 Service in a manner that would result in the calling party being charged for information conveyed during the 800 call unless the calling party has a presubscription agreement with the pay-per-call service provider that allows the calling party to be charged for the call or the calling party discloses a credit or charge card number during the 800 call.

- .12 At the request of the domestic customer or with his or her concurrence, or at the request of his or her foreign correspondent, MCI may arrange for the provisioning of the International Private Line abroad to interconnect with the domestic circuit. The customer's order placed with either MCI or a foreign carrier may be end-to-end circuit provisioning, single-end billing of the foreign carrier charges, and/or the domestic end charges. The terms and conditions of service of the respective carriers will apply for each segment of the circuit.

7. PAYMENT ARRANGEMENTS

.01 The customer is responsible for payment of all charges for services furnished to the customer or its joint or authorized users. This responsibility is not changed, by virtue of any use, misuse, or abuse of the customer's service or customer-provided systems, equipment, facilities, or services interconnected to the customer's service, which use, misuse, or abuse may be occasioned by third parties, including, without limitation, the customer's employees or other members of the public.¹ Non-recurring charges are payable when the service for which they are specified have been performed. If an entity other than MCI (e.g., another carrier or a supplier) imposes charges on MCI, in addition to its own internal costs, in connection with a service for which an MCI non-recurring charge is specified, those charges will be passed on to the customer. Recurring charges which are fixed in amount and not dependent on usage are billed in advance. Usage charges are billed after each usage cycle. For customers of Metered Use Service Option A (Execunet), Option D (Credit Card), Option F (MCI 800), Option M (MCI 900 Service), and Option N (Prism Plus) except for usage charges, the rate or volume discount level applicable to a customer for a particular service or services shall be the rate or volume discount level in effect at the end of the monthly billing period applicable to the customer for the particular service or services. If a member of a Friends & Family Calling Circle discontinues his or her MCI service, only those eligible calls which were made while he or she was a Friends & Family member will receive the Friends & Family discount.

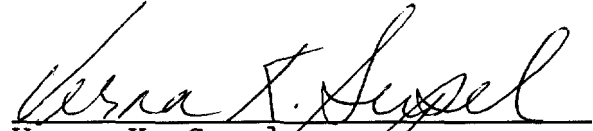
.02 A customer of MCI 800 or 900 Service is responsible for payment for all calls placed to or via the customer's 800 or 900 Service number(s). This responsibility is not changed, by virtue of any use, misuse, or abuse of the customer's service or customer-provided systems, equipment, facilities or services inter-connected to the customer's 800 or 900 Service, which use, misuse or abuse may be occasioned by third parties, including, without limitation, the customer's employees and members of the public who dial the customer's 800 or 900 Service number by mistake.¹

.03 MCI's bills are payable upon receipt. Amounts not paid within 30 days after the date of invoice will be considered past due. If MCI becomes concerned at any time about the ability of a customer to pay its bills, MCI may require that customer to pay its bills within a specified number of days and to make such payments in cash or the equivalent of cash.

¹ For service fraud, which is established to the reasonable satisfaction of MCI, that arises out of the use of customer-controlled Multiline Terminating Device(s), as defined in this tariff, that is (are) used in conjunction with MCI service(s), MCI will credit the customer thirty percent (30%) of the total amount of fraudulent usage billed by MCI less taxes and monthly recurring non-usage sensitive charges, and less any previously credited discounts that were based on the disputed fraudulent usage. In order to receive the credit described herein, the customer must notify MCI in writing within thirty (30) days from the date of the invoice of the claimed fraudulent usage in question. This credit shall be available only once per customer and will be applied against the customer's next MCI invoice following MCI's receipt of payment of the remaining balance for the fraudulent use of the customer's MCI service(s).

CERTIFICATE OF SERVICE

I, Verna K. Supel, do hereby certify that on this 8th day of July, 1992, copies of the foregoing "**Comments**" in the Matter of Policies and Rules Concerning Interstate Pay-Per-Call Services in RM-7990 were served by first-class mail, postage prepaid, upon the parties listed on the attached list.


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